



# THE 1986 BUDGET IN BRIEF



## BOROUGH OF MADISON MORRIS COUNTY, NEW JERSEY

MAYOR

ELIZABETH G. BAUMGARTNER

COUNCIL

EDWARD W. ORLEMANN

COUNCIL PRESIDENT

ROBERT E. LUNDBERG

RALPH A. MAIONE

JOHN L. REID

WILLIAM D. PRIMUS

HAROLD J. DODDS



HARTLEY DODGE MEMORIAL  
BOROUGH OF MADISON  
MADISON, NEW JERSEY 07940  
(201) 377-8000

March 10, 1986

REPORT TO THE TAXPAYERS

This document "Budget in Brief" has been prepared for Madison residents to better understand the 1986 Budget. It also summarizes accomplishments in 1985 and describes plans for 1986.

This year's Municipal Budget totals \$9,264,057.00. The tax rate, including the costs for services provided by the County, Board of Education and the Borough will increase by 6% from \$1.81 to \$1.92 per \$100 of assessed valuation. This means that an average residential property in Madison (evaluated at \$158,000) will experience a tax increase of \$192 from \$2,842 to \$3,034.

The Borough's portion of this increase (\$134) is broken down on page 5 of this report under the title "Analysis of 1986 Changes in Revenues and Appropriations". The list shows a 74% increase in sewerage treatment costs, a 38% increase in debt service, a 20% increase in garbage disposal, and a 75% increase in liability insurance.

Attached is an index of topics discussed in this report. I am sure you will find the report informative. Should you have any questions or concerns, a public hearing on this Budget will be held on April 14th at 8:00 p.m. in the Council Chamber.

Your Mayor,

*Elizabeth G. Baumgartner*  
Elizabeth G. Baumgartner

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## BUDGET RESPONSIBILITIES

Most municipal functions are under the direct policy making control of the Mayor and Council. In a few cases, such as the Public Library, the Board of Health and the Local Assistance Board, control lies with an autonomous appointed board which administers their functions within the limitations of the appropriation set by the Mayor and Council. The Madison-Chatham Joint Meeting is an autonomous board comprised of the Mayor and Council members from both communities. This Body relies on appropriations made by each of the towns in the municipal budgets.

The operation of the public schools is the responsibility of the elected Board of Education and is completely independent of the Mayor and Council. The Board of Education prepares its own budget and submits it directly to the citizens of Madison for approval by popular vote. This report, therefore, does not contain any details of the school budget.

The Governing Body of the Borough of Madison consists of the Mayor and Council, elected by the Borough as a whole. The Mayor's term is four years. There are six Councilmembers, each elected for three years, with the terms arranged so that two are elected each year. The Mayor and Council serve without compensation.

Although the Council is primarily a legislative body, it also exercises some managerial functions through the Borough Administrator who coordinates the operations of the departments of the Borough. The Council has six standing committees appointed by the Mayor, who is ex-officio member of each committee. Each Councilmember is the chairperson of one committee and a member of one other. The standing committees for 1986 are as follows:

<u>Standing Committee</u>	<u>Chairperson</u>	<u>Other Member</u>
Finance & Borough Clerk	John L. Reid	Harold J. Dodds
Public Safety	Robert E. Lundberg	Ralph A. Maione
Parks & Recreation	Harold J. Dodds	Edward W. Orlemann
Public Works	Ralph A. Maione	Robert E. Lundberg
Utilities & Engineering	William D. Primus	John L. Reid
Health & Public Assistance	Edward W. Orlemann	William D. Primus

The following Borough Officials are responsible for preparing and expending their budgets in accordance with the limitations imposed by the Governing Body:

Borough Administrator	James R. Allison
Director of Finance	Abraham Antun
Deputy Borough Clerk	Fannie Stinson
Chief of Police	Donald R. Capen
Acting Fire Chief	William G. Prentiss
Health Officer	Robert S. Deasey
Engineering Administrator	William C. Sweeney
Court Clerk	Rosalie Amico
Recreation Director	Douglas L. Smith
Supervisor, Public Works & Water Utility	Vincent Falcone
Supervisor, Electric Utility	Frank A. Tromonda
Library Director	Nancy Singleton Vernon
Borough Attorney	George C. Witte, Jr.
Director of Welfare	Linda B. Durney
Senior Citizen Coordinator	Elizabeth Brownell

## THE 1986 BUDGET PROCESS

The budget process begins early in September of the year preceding the Budget year. Department heads, using Budget reports which have been supplied to them throughout the year, forecast their needs and draft detailed Budget requests. These requests must be supported by formal outlines of the programs they consider necessary to undertake. In addition, they submit estimates of the extent to which they have met their proposals of the preceding year.

Each Budget request is reviewed by the Borough Administrator in conference with each department head individually. Necessary changes are made, and the preliminary budgets are transmitted to the Mayor and Councilmembers.

In November and December, the autonomous boards (Zoning, Local Assistance, Planning, Health and the Library) meet to determine their Budget needs. These Budgets also are sent to the Mayor and Council after review by the Borough Administrator.

Throughout January, the Mayor and Council meet to review, revise and approve the Budgets. The Council has the authority to revise any Budget; but in the case of the autonomous boards, it cannot mandate how the revisions are to be accommodated in their Budgets.

This year the budget will be introduced on March 10th and published in the Madison Eagle on March 20th. At the introduction of the Budget the Council will set April 14th as the date for the public hearing on the Budget.

B U D G E T   A T   A   G L A N C E

	1986	1985
APPROPRIATIONS (EXCLUDING RESERVE FOR UNCOLLECTED TAXES)	8,777,378.03	7,441,013.77
LESS: ANTICIPATED REVENUES	4,129,665.17	3,550,714.76
NET APPROPRIATIONS	4,647,712.86	3,890,299.01
PLUS: SCHOOL LEVY	8,025,173.50	7,795,599.50
COUNTY LEVY	3,063,074.00	2,824,367.62
APPROPRIATIONS AND OTHER TAXES	15,735,960.36	14,510,266.13
COLLECTION RATE	97.00%	97.00%
AMOUNT TO BE RAISED BY TAXATION	16,222,639.55	14,971,603.84
DIFFERENCE-RESERVE FOR UNCOLLECTED TAXES	486,679.19	461,337.71
ASSESSED VALUATION	801,306,800.00	790,689,900.00
TOTAL RATABLES	846,384,548.00	829,025,418.00
TOTAL APPROPRIATIONS (INCLUDING RESERVE FOR UNCOLLECTED TAXES)	9,264,057.22	7,902,351.48
LESS ANTICIPATED REVENUES	4,129,665.17	3,550,714.76
LOCAL TAX LEVY	5,134,392.05	4,351,636.72
LOCAL TAX RATE	0.607	0.525
TOTAL TAX RATE	1.92	1.81
ONE POINT EQUALS	84,638.45	82,902.54
AVG. RESIDENTIAL ASSESSED VALUE	158,000.00	157,000.00
BOROUGH TAXES	959.06	824.25
TOTAL TAXES	3,033.60	2,841.70

ANALYSIS OF THE 1986 CHANGES IN REVENUES AND APPROPRIATIONS

MUNICIPAL BUDGET

REVENUES

	1986	1985	INCREASE (DECREASE)	PERCENTAGE CHANGE
SURPLUS	600,000	575,000	25,000	4.3%
MUNICIPAL REVENUES	712,128	614,064	98,064	16.0%
STATE REVENUES	989,390	926,637	62,753	6.8%
FEDERAL REVENUES	83,147	117,013	(33,866)	-28.9%
UTILITY REVENUES	1,600,000	1,208,000	392,000	32.5%
DELINQUENT TAXES	145,000	110,000	35,000	31.8%
PROPERTY TAXES	5,134,392	4,351,637	782,755	18.0%
<b>TOTAL REVENUES</b>	<b>\$9,264,057</b>	<b>\$7,902,351</b>	<b>1,361,706</b>	<b>17.2%</b>

APPROPRIATIONS

SALARIES & WAGES	3,215,910	3,011,303	204,607	6.8%
OTHER EXPENSES	1,698,936	1,508,423	190,513	12.6%
GARBAGE & TRASH REMOVAL	633,101	525,000	108,101	20.6%
JOINT MEETING	540,769	311,102	229,667	73.8%
HEALTH INSURANCE	194,700	178,570	16,130	9.0%
OTHER INSURANCE	339,335	193,546	145,789	75.3%
STATUTORY EXPENDITURES	582,068	523,796	58,272	11.1%
CAPITAL IMPROVEMENT FUND	220,000	200,000	20,000	10.0%
DEFERRED CHARGES	111,600	92,000	19,600	21.3%
DEBT SERVICES	1,240,959	897,274	343,685	38.3%
RESERVE FOR UNCOLL. TAXES	486,679	461,337	25,342	5.5%
<b>TOTAL APPROPRIATIONS</b>	<b>\$9,264,057</b>	<b>\$7,902,351</b>	<b>1,361,706</b>	<b>17.2%</b>

## SUMMARY OF 1985

Significant accomplishments on major construction projects were made this year:

- a) Completed during 1985 were the Glenwild Road Sanitary Sewer improvement, the reconstruction of Myrtle Avenue and the improvement to the intersection of Kings Road and Prospect Street.
- b) A \$450,000 grant was received from the New Jersey Department of Transportation which will help offset the cost of the Spring Garden Brook, Phase II improvement begun in 1985, and which has already significantly improved the run-off in that area.
- c) Dodge Field, nearly complete, was used for the first time by the football league for night games under the newly installed lighting. The cost of this project was partially funded by a \$165,000 Green Acres grant. A \$40,000 Community Development grant was received by the Borough in 1985 for the purpose of renovating the Dodge Field playground area and pool; plans for this work have commenced.
- d) A new 20 year road and sidewalk maintenance program was developed and approved by Council.
- e) On January 17, 1985 ground was broken and construction begun on the 80 unit Senior Citizen Complex. Dedication and occupancy of this complex is scheduled for early summer of this year.

A program for the mandatory recycling of newspapers was developed and the curbside collection of newspapers began on January 13th, 1986.

Several organization changes were effected during the year:

- a) A Safety Committee was established in an effort to provide for a safe work environment and fewer accidents for Borough employees. Meeting on a regular basis, the Safety Committee is near completion on a Safety Manual for all employees.
- b) In recognition of expanding activity in administration, Madison appointed Barbara Shepard as Assistant to the Administrator, a new position, in May. A centralized purchasing system is now in place and the Borough has experienced significant savings through their membership in the Morris County Cooperative Pricing Council.

- c) In her first full year as Senior Citizen Coordinator, Liz Brownell initiated ten new regular activities for seniors and arranged for the first annual Senior Speakout which was held jointly with the surrounding towns of Florham Park, Chatham Township and Chatham.

The Borough received an allocation of hydroelectric power from the New York Power Authority which will produce an annual savings of approximately \$300,000 in purchased power cost. In addition, the Borough successfully negotiated through the Federal Energy Regulatory Commission a rate reduction from an original rate increase filed by Jersey Central which produced an overall savings of \$100,000.

## 1986 PLANS

Projects and plans which will occupy the attention of members of the Governing Body and the Borough staff during 1986 are:

1. The reconstruction of Woodland Road between Green Avenue and Green Village Road to be financed by a \$90,000 grant received from the New Jersey Department of Transportation.
2. The renovation of the Dodge Field playground area and pool, financed in part through a \$40,000 Community Development Grant.
3. The completion of computerizing both Borough budgeting functions and the Madison Free Library's acquisitions through the use of the Morris County Management Information Systems. The possibility of placing the utilities' billing on the County's MIS computer is also being explored.
4. The completion of establishing the Neighborhood Watch Program in all sectors of town. This program has already had a positive effect in decreasing the number of break and entries within the residential areas.
5. Through the planning of the Downtown Development Commission, the restoration of Sections "B" and "C".
6. Increases to police and fire personnel and upgrading of equipment through the use of Safe and Clean Neighborhoods' grant money.
7. The successful implementation of mandatory recycling for newspapers, glass, aluminum and yard wastes.
8. The construction of a new Health Center.

In setting the background for the 1986 budget, the current insurance crisis looms as a serious matter for consideration. The estimated cost for insurance has increased 75% this year as compared to 1985. In an effort to find less costly insurance, Madison arranged for a meeting of neighboring communities in Morris County to discuss the feasibility of forming a joint self-insurance pool. Further work on this will be done during the year in hopes of obtaining lower premiums in 1987.

Another area in which there was a significant increase in cost in 1986 as compared to 1985 was Madison's appropriation for the Madison-Chatham Joint Meeting, the sewage treatment facility serving Borough residents. Due to new state imposed regulations and aging equipment significant increases in the Madison-Chatham Joint Meeting's capital expenditures were necessary causing Madison's appropriation to increase 73%.

STATEMENT OF OPERATIONS

CURRENT, WATER & ELECTRIC

DECEMBER 31, 1985

	CURRENT	WATER	ELECTRIC	TOTAL
SURPLUS, JANUARY 1, 1985	909,978.61	70,206.58	456,728.43	1,436,913.62
PROPERTY TAXES	14,843,744.98			14,843,744.98
WATER RENTS		694,002.28		694,002.28
METERED SERVICES			9,942,414.95	9,942,414.95
DELINQUENT TAXES	148,988.78			148,988.78
MISCELLANEOUS REVENUE AND OTHER CREDITS TO INCOME	3,496,458.42	124,796.24	448,309.40	4,069,564.06
<b>TOTAL FUNDS</b>	<b>19,399,170.79</b>	<b>889,005.10</b>	<b>10,847,452.78</b>	<b>31,135,628.67</b>
SALARIES AND WAGES	3,175,843.17	188,400.80	427,821.42	3,792,065.39
OTHER EXPENSE	2,818,644.26	384,695.95	7,671,832.38	10,875,172.59
STATUTORY EXPENDITURES	523,795.64	30,695.25	78,266.51	632,757.40
DEFERRED CHARGES	92,000.00	700.00	200,000.00	292,700.00
CAPITAL IMPROVEMENT FUND	200,000.00	50,000.00	100,000.00	350,000.00
DEBT SERVICE	896,553.02	116,829.36	200,137.13	1,213,519.51
SCHOOL TAXES	7,795,599.50			7,795,599.50
COUNTY TAXES	2,835,542.91			2,835,542.91
OTHER EXPENDITURES AND OTHER DEDUCTIONS FROM INCOME	7,993.08	161.27	25.00	8,179.35
<b>TOTAL EXPENDITURES</b>	<b>18,345,971.58</b>	<b>771,482.63</b>	<b>8,678,082.44</b>	<b>27,795,536.65</b>
LESS: EXPENDITURES TO BE RAISED BY FUTURE REVENUES				0.00
TOTAL ADJUSTED EXPENDITURES AND REVENUE REQUIREMENTS	18,345,971.58	771,482.63	8,678,082.44	27,795,536.65
LESS: AMOUNT TRANSFERRED TO CURRENT FUND			1,208,000.00	1,208,000.00
<b>SURPLUS BALANCE, DECEMBER 31, 1985</b>	<b>1,053,199.21</b>	<b>117,522.47</b>	<b>961,370.34</b>	<b>2,132,092.02</b>

1986 "CAP CALCULATION"

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Given below are simplified calculations of the 1986 Cap appropriation limit utilizing the index rate ordinance of 6%

Total adopted appropriations for 1985.....		7,902,351.48
Modifications		
Deductions:		
Reserve for Uncollected Taxes	461,337.71	
Other Operations	885,104.50	
Capital Improvement Fund	200,000.00	
Deferred Charges	92,000.00	
Debt Service	897,274.00	
Public Library	430,529.00	
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
Amount on which 6% Cap is Applied		4,936,106.27
6% "Cap" Authorized by Ordinance		296,166.38
Additions to "Cap" Assessed Value of New Construction \$6,178,100.00 times Local Purpose Tax Rate of \$0.526 per \$100.		32,496.81
New Fees by Ordinance		15,750.00
		<hr style="width: 100%;"/>
Total General Appropriations "Cap" Limitation for 1986		5,280,519.46
Less 1986 Appropriations Within "Cap"		5,280,519.46
		<hr style="width: 100%;"/>
Unused "Cap " carry forward to 1987		0.00

COMPARATIVE DISTRIBUTION OF REVENUES  
AND APPROPRIATIONS FOR 1986 AND 1985

MUNICIPAL BUDGET

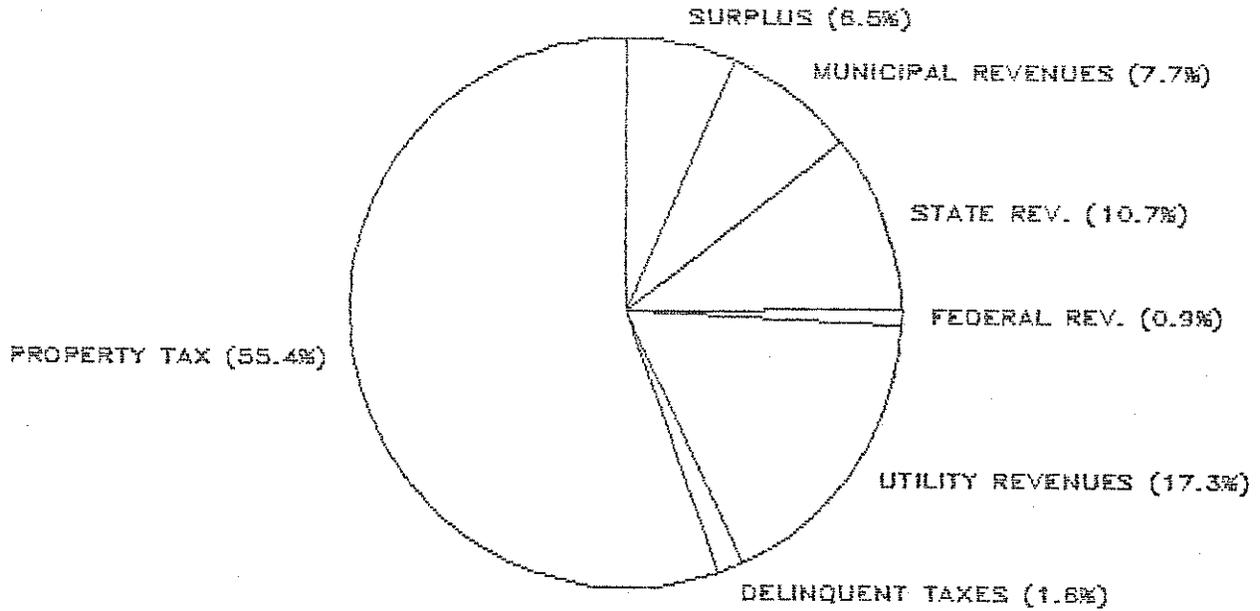
REVENUES

	1986	%	1985	%
SURPLUS	600,000	6.5%	575,000	7.3%
MUNICIPAL REVENUES	712,128	7.7%	614,064	7.8%
STATE REVENUES	989,390	10.7%	926,637	11.7%
FEDERAL REVENUES	83,147	0.9%	117,013	1.5%
UTILITY REVENUES	1,600,000	17.3%	1,208,000	15.3%
DELINQUENT TAXES	145,000	1.6%	110,000	1.4%
PROPERTY TAXES	5,134,392	55.4%	4,351,637	55.1%
<b>TOTAL REVENUES</b>	<b>\$9,264,057</b>	<b>100%</b>	<b>\$7,902,351</b>	<b>100%</b>

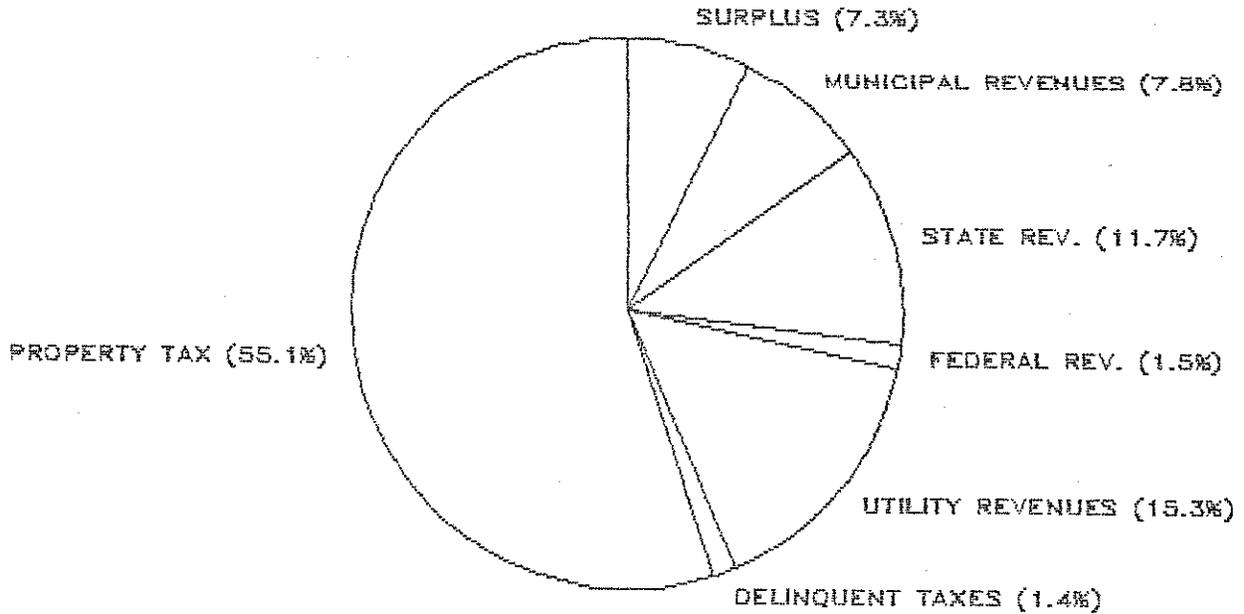
APPROPRIATIONS

SALARIES-WAGES	3,215,910	34.7%	3,011,303	38.1%
OTHER EXPENSES	1,698,936	18.3%	1,508,423	19.1%
GARBAGE REMOVAL	633,101	6.8%	525,000	6.6%
JOINT MEETING	540,769	5.8%	311,102	3.9%
INSURANCE	534,035	5.8%	372,116	4.7%
STATUTORY EXPEND.	582,068	6.3%	523,796	6.6%
CAPITAL IMPROVEMENT	220,000	2.4%	200,000	2.5%
DEFERRED CHARGES	111,600	1.2%	92,000	1.2%
DEBT SERVICES	1,240,959	13.4%	897,274	11.4%
RES. FOR UNCOLL. TAXES	486,679	5.3%	461,337	5.8%
<b>TOTAL APPROPRIATIONS</b>	<b>\$9,264,057</b>	<b>100%</b>	<b>\$7,902,351</b>	<b>100%</b>

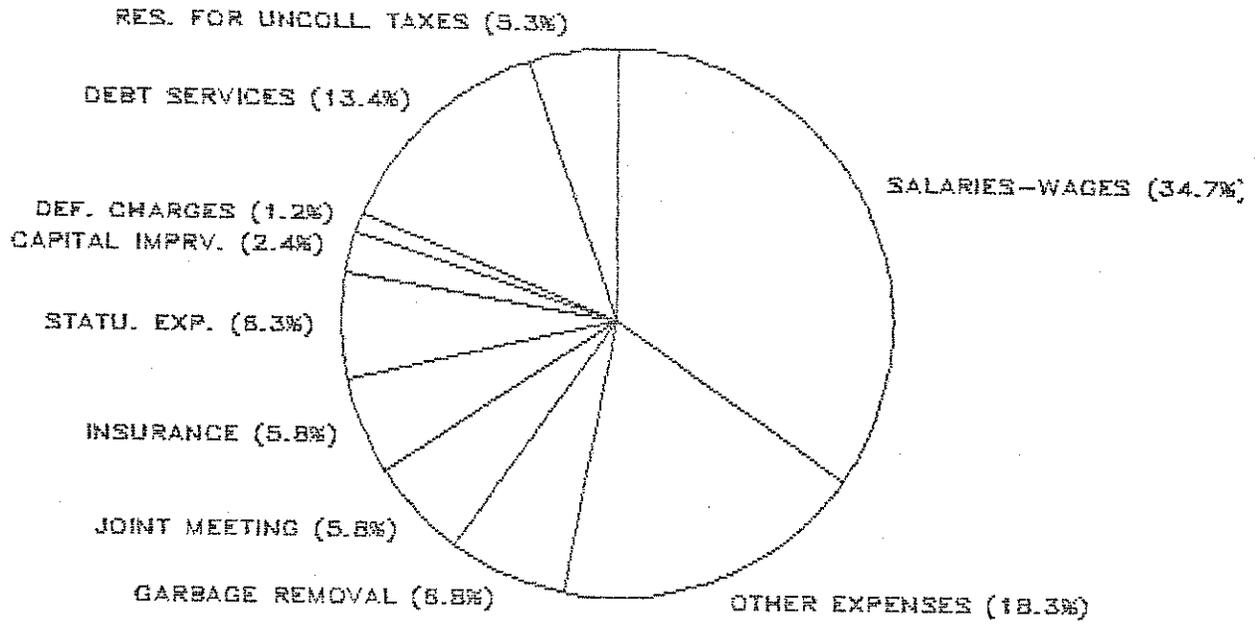
# DISTRIBUTION OF 1986 REVENUES



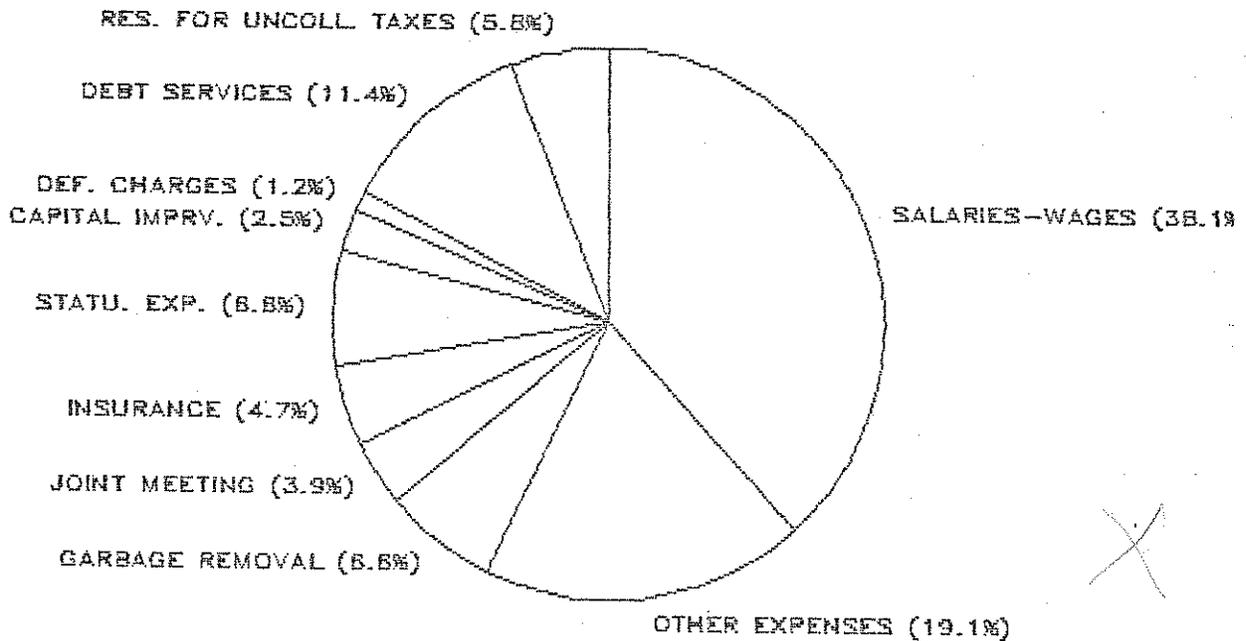
# DISTRIBUTION OF 1985 REVENUES



# 1986 APPROPRIATIONS



# 1985 APPROPRIATIONS



SUMMARY OF LEVIES AND TAX RATES

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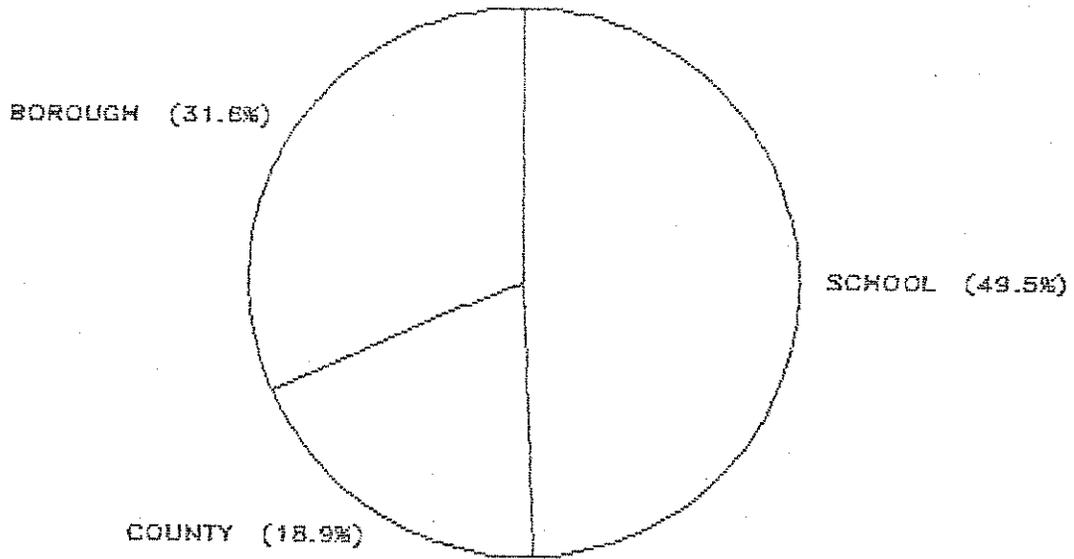
	1986 ESTIMATED			1985 ACTUAL			INCREASE (DOLLARS)
	TAX LEVY	TAX RATE	TAX DOLLAR	TAX LEVY	TAX RATE	TAX DOLLAR	
SCHOOL	8,025,173.50	0.948	0.49	7,795,599.50	0.940	0.52	229,574.00
COUNTY	3,063,074.00	0.362	0.19	2,824,367.62	0.341	0.19	238,706.38
BOROUGH	5,134,392.05	0.607	0.32	4,351,636.72	0.525	0.29	782,755.33
<b>TOTAL LEVY</b>	<b>16,222,639.55</b>	<b>1.92</b>	<b>1.00</b>	<b>14,971,603.84</b>	<b>1.81</b>	<b>1.00</b>	<b>1,251,035.71</b>

	1985 ACTUAL			1984 ACTUAL			INCREASE (DOLLARS)
	TAX LEVY	TAX RATE	TAX DOLLAR	TAX LEVY	TAX RATE	TAX DOLLAR	
SCHOOL PURPOSE	7,795,599.50	0.940	0.52	7,680,222.00	4.30	0.55	115,377.50
COUNTY PURPOSE	2,824,367.62	0.341	0.19	2,297,552.53	1.29	0.17	526,815.09
BOROUGH PURPOSE	4,351,636.72	0.525	0.29	3,928,327.28	2.20	0.28	423,309.44
<b>TOTAL LEVY</b>	<b>14,971,603.84</b>	<b>1.81</b>	<b>1.00</b>	<b>13,906,101.81</b>	<b>7.79*</b>	<b>1.00</b>	<b>1,065,502.03</b>

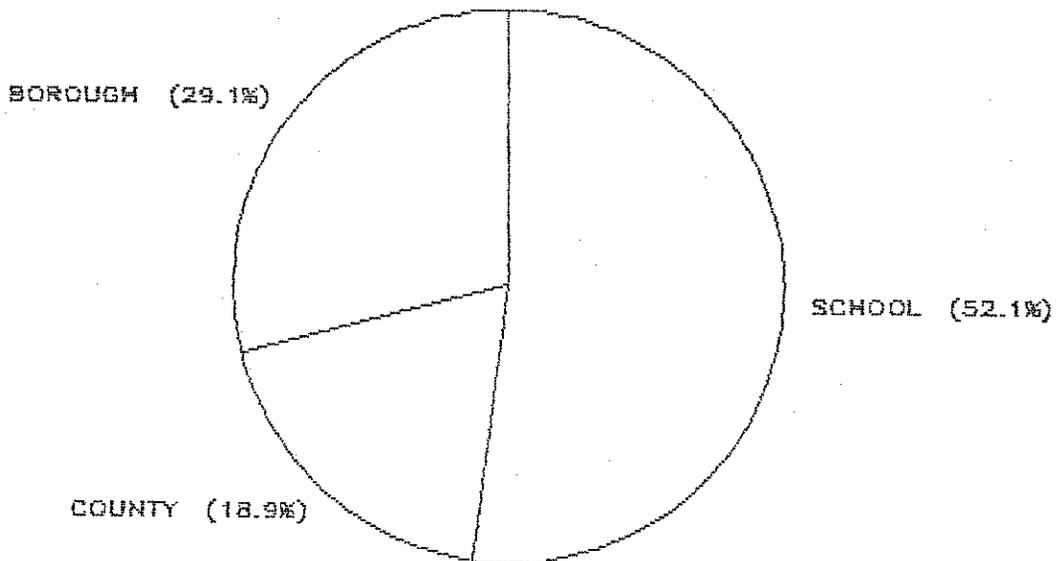
SUMMARY OF NET VALUATION TAXABLE	1986 ESTIMATED	1985 ACTUAL	1984 ACTUAL
<b>TAX RATABLES:</b>			
REAL PROPERTY (LAND AND IMPROVEMENTS)	801,306,800	790,689,900	168,263,355
TELEPHONE & TELEGRAPH (BUSINESS PERSONAL PROPERTY)	45,077,748	38,335,518	10,297,011
<b>TOTAL VALUATION TAXABLE</b>	<b>846,384,548</b>	<b>829,025,418</b>	<b>178,560,366</b>

\*1984 TAX RATE WOULD BE \$1.68 UNDER CURRENT ASSESSED VALUES

# DISTRIBUTION OF THE 1986 TAX LEVY



# DISTRIBUTION OF THE 1985 TAX LEVY



COMPARATIVE DISTRIBUTION OF REVENUES  
AND APPROPRIATIONS FOR 1986 AND 1985

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WATER UTILITY

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REVENUES

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	1986	%	1985	%
	<u>        </u>	<u>    </u>	<u>        </u>	<u>    </u>
SURPLUS	68,192	8.1%		
WATER RENTS	694,002	82.6%	700,632	90.8%
FIRE HYDRANT SERVICE	47,564	5.7%	41,360	5.4%
MISCELLANEOUS	30,000	3.6%	30,000	3.9%
	<u>        </u>	<u>    </u>	<u>        </u>	<u>    </u>
TOTAL	839,758	100.0%	771,992	100.0%

APPROPRIATIONS

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SALARIES & WAGES	190,758	22.7%	212,711	27.6%
OTHER EXPENSES	389,445	46.4%	351,881	45.6%
CAPITAL IMPROVEMENT FUND	60,000	7.1%	50,000	6.5%
DEBT SERVICE	158,755	18.9%	117,500	15.2%
DEFERRED CHARGES		0.0%	700	0.1%
STATUTORY EXPENDITURES	40,800	4.9%	39,200	5.1%
	<u>        </u>	<u>    </u>	<u>        </u>	<u>    </u>
TOTAL	839,758	100.0%	771,992	100.0%

COMPARATIVE DISTRIBUTION OF REVENUES  
AND APPROPRIATIONS FOR 1986 AND 1985

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ELECTRIC UTILITY

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	REVENUES			
	1986	%	1985	%
METERED SERVICE	9,550,219	99.1%	9,988,818	99.2%
MISCELLANEOUS	85,000	0.9%	85,000	0.8%
TOTAL	9,635,219	100.0%	10,073,818	100.0%

	APPROPRIATIONS			
	1986	%	1985	%
SALARIES & WAGES	482,870	5.0%	477,822	4.7%
OTHER EXPENSES	650,867	6.8%	358,977	3.6%
PURCHASED POWER	6,558,503	68.1%	7,645,640	75.9%
CAPITAL IMPROVEMENT FUND	200,000	2.1%	100,000	1.0%
DEBT SERVICE	446,579	4.6%	200,379	2.0%
DEFERRED CHARGES		0.0%	200,000	2.0%
STATUTORY EXPENDITURES	96,400	1.0%	93,000	0.9%
SURPLUS (GENERAL BUDGET)	1,200,000	12.5%	998,000	9.9%
TOTAL	9,635,219	100.0%	10,073,818	100.0%

## THE CAPITAL BUDGET AND PROGRAM

The Capital Budget and Program for the Borough of Madison is prepared in accordance with the regulations promulgated by the Division of Local Government Services and Local Finance Board.

Every year each department head, board and authority of the Borough prepares and submits to the Borough Administrator their proposed Capital Budget and Program. After careful review, to make sure they meet the definition of a capital project, the Capital Budget is made part of the Municipal Budget and adopted by the Council.

However, there are vast differences between the Operating and Capital Budget. Unlike the Operating Budget, the Capital Budget does not give the authority to spend nor does it raise taxes or incur debt. It is only a plan for proposed expenditures. The Mayor and Council can only authorize these projects by the adoption of a bond or capital ordinance. Once the ordinance is adopted the means of financing will eventually be raised by taxes or user fees in order to retire the debt created by the adoption of said ordinance.

The Housing Authority and Board of Education are the only two local agencies that have separate bonding authority and can adopt their own bonding ordinances without the approval of the Mayor and Council.

The following is a summary by category of the capital expenditures and the debt to be authorized.

	<u>TOTAL</u>	<u>DEBT AUTHORIZED</u>
Municipal	\$1,863,850.00	\$1,673,567.00
Water Utility	8,000.00	8,000.00
Electric Utility	<u>692,000.00</u>	<u>692,000.00</u>
	\$2,563,850.00	\$2,373,567.00